

Sterling Energy, Inc. First United Drilling, Inc. Jennifer J. Maher James H. Palmer

Notice of Intent to Invoke Administrative Sanctions Under the Kansas Securities Act

Date: November 24, 2003 Respondents: Sterling Energy, Inc., First United Drilling, Inc., Jennifer J. Maher, James H. Palmer Allegations: Alleging violations of K.S.A. 17-1254(a), unlawfully selling or offering for sale securities when not registered as a broker-dealer or agent and violations of K.S.A. 17-1255(a), selling unregistered securities. Hearing: Respondent Palmer has requested a hearing which is scheduled for March 31, 2004.

Order for Sanctions-- Jennifer J. Maher, First United Drilling, Inc.

Date: March 12, 2004 Respondents: First United Drilling, Inc., and Jennifer J. Maher Order: Upon failing to contest the allegations set forth in the Notice of Intent to Invoke Administrative Sanctions under the Kansas Securities Act issued to respondents on November 24, 2003, the Commissioner has adopted the allegations of fact and law as true and correct. Further, the Commissioner has ordered that: respondents immediately Cease and Desist from soliciting offers to buy or making offers to sell, or effecting or transacting sales of First United Drilling, Inc., or any other securities in the State of Kansas, that respondents be Barred from association with any broker-dealer or investment adviser registered in Kansas, that respondents pay a Fine of \$20,000, and that respondents pay \$19,020 in Restitution to one of the named victims.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.